

DEMOCRATIC STUDY GROUP
FACT SHEET 92-6

June 11, 1971

FY 1972 MILITARY PROCUREMENT AND
RESEARCH AND DEVELOPMENT AUTHORIZATION

H.R. 8687, which would authorize \$21.88 BILLION for procurement of new weapons and research and development on new weapons systems, is expected to reach the House floor Tuesday, June 15, with consideration of amendments continuing through Thursday. The bill contains military spending increases totalling \$2.09 BILLION (10.7%) over last year's authorization and \$3.06 BILLION (16.1%) over the amount actually appropriated. The Committee authorized full funding for all major weapons systems, cutting the total request by \$18.6 million (.086%).

Reps. Nedzi and Whalen will offer an amendment to the bill setting January 1, 1972 as the deadline for U.S. withdrawal from Vietnam, Laos, and Cambodia. Rep. Aspin will offer an amendment to set a ceiling on procurement and R & D funds at the total amount authorized last year.

Rep. Pike will offer an amendment to delete B-1 manned bomber funds. Rep. Leggett will offer an amendment to freeze ABM deployment pending the outcome of the SALT talks. Rep. Harrington will offer an amendment to transfer military assistance funds from the DOD to the AID budget. Amendments dealing with other controversial weapons systems, U.S. troops in Europe, and CIA financing of secret wars are also expected.

This DSG Fact Sheet contains the following sections:

	<u>page</u>
I. Background and Overview	3
II. Basic Provisions of the Bill.	5
III. Analysis of the Bill.	9
IV. Anticipated Amendments.	12

Section One

BACKGROUND AND OVERVIEW

Background

In March of this year, Secretary Laird presented requests for new obligational authority totalling \$78.7 BILLION. Of this amount, \$21.89 BILLION for some procurement and all research and development requires new Congressional authorization. Funds for personnel, operations and maintenance, and routine procurement are appropriated under continuing authorization. Military construction funds are authorized in a separate bill.

Following Secretary Laird's presentation, the House and Senate Armed Services Committees began hearings on the \$21.89 BILLION requested for procurement and R & D on new weapons systems. On May 26, the House Armed Services Committee reported H.R. 8687, containing authorizations totalling \$21.88 BILLION, \$18.6 million below the Administration's requests. Senate action on the new authorizations is expected following House passage.

Overview

The \$21.88 BILLION authorized by the Committee is \$2.09 BILLION, or 10.7%, above the amount authorized by the Congress for the same purposes in FY 1971 (PL 91-441).* The total is \$3.06 BILLION, or 16.1% above the amount actually appropriated for FY 1971.

As is traditional with the House Armed Services Committee, all major DOD requests were approved. Procurement cuts in the Main Battle Tank and CHEYENNE helicopter programs were more than offset by a \$112 million Committee add-on for additional F-111F aircraft procurement.

* The FY 1971 total of \$19.93 BILLION included \$334 million for SAFEGUARD construction and family housing, not included in this year's bill. On the other hand, this year's bill includes \$193.5 million for torpedoes, which did not require authorization last year. Subtracting these amounts from both bills gives a straight comparison.

The Committee approved an additional \$863.5 million over last year's appropriation for Navy ship modernization and construction, citing the perennial Soviet naval threat. Other large procurement increases were approved for Navy aircraft (F-14; S-3A; and other ASW aircraft), and strategic Air Force missiles (Minuteman III MIRV, SRAM air-ground nuclear missile).

For R & D, the Committee actually added \$12.6 million to DOD's request, which itself was \$861.7 million (over 12%) above the amount authorized by the Congress last year. All services shared more or less equally in the largesse. The Air Force received increased R & D funding for the B-1 manned bomber and various fighter aircraft. Navy R & D additions include stepped-up funding for ASW, ULMS long range submarines, and the AEGIS ship missile system, while the Army received large increases for its SAM-D and Hawk air defense systems, the electronic battlefield, and several smaller programs.

Section Two

BASIC PROVISIONS OF THE BILL

Title I -- Procurement

	Authorized FY 1971	Appropriated, FY 1971	DOD Request, FY 1972	Committee Recommendation
Aircraft	\$5,964.3	\$5,586.3	\$6,635.6	\$6,652.5
Army	292.1	254.6	124.4	111.2
Navy and Marine Corps	2,416.7	2,112.4	3,343.7	3,319.3
Air Force	3,255.5	3,219.3	2,897.5	3,102.0
Missiles	3,490.3	3,279.3	3,772.2	3,645.3
Army	1,059.7	983.8	1,101.1	1,101.1
Navy	932.4	905.5	725.4	701.5
Marine Corps	12.8	12.8	1.3	1.3
Air Force	1,485.4	1,377.2	1,944.4	1,841.4
Naval Vessels	2,711.9	2,465.4	3,328.9	3,328.9
Tracked Combat Vehicles	252.6	244.9	235.5	176.4
Army	205.2	197.5	171.6	112.5
Marine Corps	47.4	47.4	63.9	63.9
Other Weapons	74.4	69.2	35.3	35.3
Army	67.2	62.0	33.0	33.0
Navy	2.8	2.8	1.3	1.3
Marine Corps	4.4	4.4	1.0	1.0
Torpedoes	----	----	205.5	193.5
TOTAL PROCUREMENT	\$12,493.5	\$11,645.1	\$13,943.0	\$13,911.9

The \$13.91 BILLION approved by the Committee for procurement of new weapons systems is \$1.22 BILLION (9.9%) over last year's authorization for the same purposes,* and \$2.07 BILLION (17.8%) over the amount actually appropriated for FY 1971.

* Excluding the \$193.5 MK-48 torpedo authorization, not required in FY 1971.

The net reduction of \$31.1 million from the DOD procurement request reflects the difference between reductions and transfers to R & D in various programs totalling \$143.1 million, and the \$112 million Committee add-on for F-111F aircraft procurement. The procurement programs affected by Committee action are the Main Battle Tank, the CHEYENNE helicopter, the SPARROW missile, the MK-48 torpedo, Navy transport aircraft, the F-111F aircraft, and the DLGN-41 nuclear frigate.

In deleting \$59.1 million in Main Battle Tank procurement funds, the Committee noted a six year slippage in the program and pointed out that the \$1 million unit cost and \$2.41 BILLION total program cost for the vehicle required far more justification than the Army had provided. The Committee also pointed out that new anti-tank capabilities were rendering tanks obsolete, that the Soviets were phasing out their heavy tanks, and that existing U.S. tanks were equal to or better than anything the Soviets possess.

With regard to the \$13.2 million deletion of CHEYENNE production engineering funds, the Committee noted that a DOD study was currently underway to determine if in fact the AX, Harrier, and CHEYENNE tactical air systems should all be procured. The Committee, by stating its willingness to favorably consider a reprogramming request pending completion of the study, in effect deferred CHEYENNE production funding until DOD completes its study of which tactical air system(s) to procure.

The Committee transferred \$34.4 million in Navy and Air Force procurement funds for the AIM-7F (Sparrow) air-to-air missile to R & D, noting technical uncertainties in the program. The Committee also trimmed \$12 million from \$205.5 million requested for the MK-48 torpedo to reflect a DOD decision to eliminate a modification in the MK-113 Fire Control System. Finally, the Committee deleted \$24.4 million requested by the Navy for 5 new commercial jets, and recommended that the Navy consider purchasing or leasing aircraft already on the market.

In an action involving no change in procurement funding totals, the Committee approved a DOD recommendation to shift \$92.5 million in Minuteman III MIRV funds and \$32.6 million in T-X Simulator funds to the \$165.4 million originally requested for F-111 procurement. With the \$112 million Committee add-on, this would provide a total of \$402.5 million for F-111 procurement. The Committee noted that the transferred funds were needed to pay for cost overruns in the MK-II avionics system. The Committee add-on of \$112 million, provided for in an amendment by Rep. Fisher, would keep the F-111F production line in Ft. Worth, Texas open for an additional year and permit procurement of the 82 aircraft originally planned, instead of terminating the buy at 70 as now planned by DOD.

With regard to the DLGN-41 nuclear frigate, the Committee inserted language in the bill mandating DOD to expend \$14.6 million requested for long-lead time items "as soon as practicable, unless the President fully advises the Congress that its construction is not in the national interest." The Committee noted the Soviet naval threat and pointed out that DOD, after first resisting the construction of 5 DLGN nuclear frigates, was now attempting to thwart the will of the Committee by dragging its feet on funding the last two ships (DLNG-41 and 42).

Title II -- Research and Development

	Authorized, FY 1971	Appropriated, FY 1971	DOD Request FY 1972	Committee Recommendation
Army	\$1,635.6	\$1,600.2	\$1,950.0	\$1,933.3
Navy, Marine Corps	2,156.3	2,137.9	2,434.3	2,460.5
Air Force	2,806.9	2,744.1	3,017.0	3,030.1
Defense Agencies	452.8	443.6	499.4	489.4
Emergency Fund	50.0	50.0	50.0	50.0
TOTAL R & D	\$7,101.6	\$6,975.8	\$7,950.7	\$7,963.3

The \$7.96 BILLION, approved by the Committee for R & D on new weapons systems, is \$861.7 million (12.1%) over last year's authorization for the same purposes, and \$987.5 million (14.2%) over the amount actually appropriated for FY 1971.

The \$12.6 million added to the DOD request by the Committee reflects the difference between \$34.4 million transferred from procurement to R & D and minor cuts totalling \$21.8 million in various R & D accounts.

The \$34.4 million transferred from procurement includes the Navy (\$23.9 million) and Air Force (\$10.5 million) shares of the AIM-7F (Sparrow) air-to-air missile, deferred due to technical problems.

The major portion of the \$21.8 million R & D reduction resulted from a DOD decision to revise the Army's Heavy Lift Helicopter program, resulting in an \$11.5 million reduction. The Committee also deleted \$10 million from the ARPA budget for an overseas defense research program designed to support military assistance objectives with small allies, and recommended transfer of the request to the Foreign Aid bill. \$355,000 was cut from the Navy's request, with a recommendation that a proposed research study not be conducted in Yugoslavia.

The Committee also reduced the Army R & D request for TRI-TAC tactical communications by \$5.2 million, and re-allocated the reduction among the other service accounts.

Title III -- Reserve Forces

The bill sets the following average strengths for Reserve Forces:

Army National Guard	400,000
Army Reserve	260,000
Naval Reserve	129,000
Marine Corps Reserve	45,849
Air National Guard	88,191
Air Force Reserve	49,634
Coast Guard Reserve	15,000

The Committee again restored a proposed Administration reduction of 10,000 in the Coast Guard Reserve, detecting an OMB plot to phase out the Coast Guard Reserve by the end of FY 1972.

In justifying the restoration the Committee rejected the contention (which no one had advanced) "that there is no probability that there would be large-scale efforts to sabotage ports within the United States." The Committee found such a contention inconceivable "when contingents carrying the enemy flag are parading in cities both on the East and West Coasts"

The Committee also added a provision to prohibit the assignment of National Guardsmen or reservists to summer training if they have less than 120 days remaining in their commitment, provided they have served on active duty for one year or longer.

Title IV -- General Provisions

This title would authorize up to \$2.5 BILLION for FY 1972 for support of Vietnamese and other free world forces in support of Vietnamese forces, and local forces in Laos and Thailand. This total is in addition to \$655.6 million in military-related supporting assistance requested in foreign aid legislation. Details on the program are classified.

ANALYSIS OF THE BILL

Overall Funding Levels

The bill represents a significant up-turn in defense expenditures in a time of increasing domestic need. Secretary Laird, in a letter to the Committee, points out that the yearly costs for procurement and R & D for the program outlined in his FY 1972 posture statement are now estimated at between \$22 and \$23 BILLION in 1972 dollars. Thus, by 1977, allowing for 5% inflation, the military procurement and R & D request will total \$27.35 BILLION, not allowing for cost overruns. The 5-year total cost of the Administration's defense program, for new weapons only, would be \$124.33 BILLION, according to Secretary Laird's own estimates.

Compared to last year's budget, DOD has realized procurement and R & D savings totalling \$1.63 BILLION, due to winding down the Vietnam war. The President's April announcement of accelerated troop withdrawals adds another \$400 million to this figure. Thus, for procurement and R & D DOD has an extra \$2 BILLION for new systems with no increase at all over the amount provided last year. Yet the FY 1972 request not only gobbles up this \$2 BILLION, but adds another \$3.06 BILLION to last year's appropriation.

Strategic Systems

Funding for strategic systems is up significantly at a time when our diplomatic posture calls for new initiatives to reach limitations on strategic armaments with the Soviet Union. All elements of the "triad" deterrent (submarines, ICBMs, manned bombers) receive stepped-up funding:

- * R & D on the new super-quiet ULMS submarines increases from \$44 million to \$110 million, at a time when the Soviets have failed to detect even one of our existing submarines.
- * MIRVed Minuteman III missiles are up from \$720 to \$926 million.
- * The B-1 manned bomber, the SRAM air-ground nuclear missile, and B-52 modification funds are increased a total of \$725.7 million.

General Purpose Forces

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Sophisticated and costly new weapons systems are the rule for general purpose forces. Fund increases over last year's appropriation for new Air Force and Navy tactical aircraft and missiles total a net of \$679.6 million.

Program	FY 1971 Appropriation	FY 1972 Request	Difference
F-14	\$517.0	\$935.0	+\$418.0
F-15	370.0	414.5	44.5
A-X	27.0	47.0	20.0
Maverick	3.1	87.0	83.9
ARM (2 models)	-----	67.9	67.9
Sparrow E & F	22.7	71.8	49.1
Phoenix	95.1	94.7	(-.4)
Condor	23.3	19.9	(-3.4)
TOTALS	\$939.8	\$1,623.2	+\$679.6

Air defense systems also come in for large increases. SAM-D is up \$32.9 million, improved HAWK is up \$84.8 million, and AWACS is up \$58.0 million. The Army's electronic battlefield is also up, by a (deleted) amount.

Sea Forces

Naval ship construction and conversion funding is up \$863.5 million from the amount appropriated for FY 1971. The \$3.33 BILLION authorization provides for construction or conversion of 28 new ships, including construction of 5 nuclear attack submarines (SSN-688) and 7 destroyers (DD-963), and conversion of 6 fleet ballistic missile submarines from Polaris to Poseidon. R & D funding for three ship defense systems (AEGIS, Harpoon, LAMPS) is also increased by a total of \$75.7 million, from \$99.5 million to \$175.2 million.

Funding for Navy anti-submarine warfare and intelligence aircraft procurement and R & D is up a total of \$833.3 million:

Aircraft	Appropriated, FY 1971	DOD Request, FY 1972	Difference
S-3A	\$288.0	\$582.0	+\$294.0
P-3C	136.6	318.0	181.4
EA-6B	148.7	233.9	85.2
E-2C	-----	272.7	272.7
TOTALS	\$573.3	\$1,406.6	+\$833.3

These systems are used to detect enemy strategic nuclear missile submarines, for fleet defense, and in various communications and intelligence capacities.

Military Assistance Funds

The inclusion of military assistance funds (\$2.5 BILLION) for free world and Vietnamese forces in Vietnam, and local forces in Laos and Thailand in legislation under the jurisdiction of the Armed Services Committees is becoming increasingly controversial. The Johnson Administration requested the transfer from AID to DOD in 1966 because the funds were being used not to deter aggression but to conduct sustained hostilities, and because it felt a separate financing and logistics system was too cumbersome. The transfer also, of course, removed jurisdiction from the Foreign Relations and Foreign Affairs Committees to the Armed Services Committees. The transfer in fact represented the transfer of the war from a Vietnamese to an American enterprise.

Arguments for removing the program from the DOD budget and restoring it to the military assistance budget (and thus to the Foreign Relations and Foreign Affairs Committees) follow:

- * Vietnamization of the war and U.S. withdrawal from it represents a major policy shift, and the mechanism for financing U.S. support should be readjusted accordingly to the pre-Americanization period.
- * Since the South Vietnamese Army is no longer an arm of DOD, it makes no sense for DOD to retain operational, financial, and logistical control over that army.
- * Free-world non-Vietnamese forces are being reduced, as are their assistance requirements, and support for them should be removed from the mammoth DOD budget to the military assistance program where it can be closely scrutinized.
- * Even if assistance to the South Vietnamese Army cannot be restored to the military assistance program, there is no reason for not restoring support for Laos and Thailand to the same program through which Cambodia is assisted.
- * It is time to re-evaluate the nature and degree of our assistance to the South Vietnamese Army in relation to our other military assistance programs. To place our assistance in proper perspective, it must not be dwarfed on its own merits and in relation to our other military assistance commitments.

Vietnam Withdrawal (Nedzi-Whalen)

This amendment would, subject to certain protections, prohibit the expenditure of new funds after January 1, 1972, to support U.S. military deployment or military operations in or over South Vietnam, North Vietnam, Cambodia, or Laos.

In the event the President determined that limitations imposed by the amendment would not permit safe withdrawal or return of POWs, he could recommend another deadline within FY 1972 (ending June 30, 1972). The amendment would also provide for continued military and economic assistance to Vietnam, Laos, and Cambodia, and would affirm the President's authority to provide asylum for South Vietnamese.

In additional views, Reps. Nedzi and Whalen contend that setting a date will call the hand of the North Vietnamese who have repeatedly asserted that if a date is set, they will not attack withdrawing forces and will negotiate release of POWs.

*Endorsement of President's Policies (O'Konski)

This amendment, which may be offered as a substitute to the above, would endorse the Guam doctrine and withdrawal policies regarding combat forces only. It would authorize sufficient funds to bring diplomatic, political, and military pressure to bear to insure return of all U.S. POWs, and to insure continued withdrawal of U.S. forces from South Vietnam not later than six months after the return of all U.S. prisoners from Indochina.

Endorsement of President's Policies (Findley)

This amendment would, in line with current policy, provide funds for withdrawal at the "earliest practicable" date. The amendment may also be offered as a substitute for Nedzi-Whalen.

*FY 1971 Ceiling (Aspin)

This amendment would limit authorization in the bill for procurement and R & D to the aggregate authorized for these purposes in FY 1971 (PL 91-441). Within the limits of the overall ceiling, the amendment would give DOD the flexibility to determine which programs were least essential and could therefore be cut.

* Amendment offered by Committee member(s).

In additional views, Rep. Aspin points out that such a ceiling would still permit significant increases over last year's spending for new weapons systems, since last year's authorization of \$19.9 BILLION is \$1.3 BILLION over the amount actually appropriated. In addition to the \$1.3 BILLION, DOD will have available \$400 million resulting from the difference between Vietnam war procurement and R & D savings (\$1.6 BILLION) and losses due to 6% inflation (-\$1.2 BILLION).

Rep. Aspin notes that one of the greatest problems in the defense budgeting is the exponential cost growth of replacement weapons systems. If only units and not costs are limited, planners naturally will gravitate to the most sophisticated (and expensive) systems. By setting a ceiling, the amendment would increase planning efficiency and impose discipline on contract negotiation.

* R & D Ceiling (Pike)

This amendment would limit R & D spending only to the amount authorized by the Congress for FY 1971 (PL 91-441). The amendment would result in a reduction of \$861.7 million from the \$7.96 BILLION approved by the Committee for R & D (which exceeds DOD requests by \$12.6 million), but still leave an authorization \$125.8 million over the amount actually appropriated last year.

* R & D Ceiling (Stafford)

This amendment, which may be offered to the above amendment, would set an R & D ceiling at the FY 1971 authorization level, but would permit a 5% increase for inflation. The amendment would result in a ceiling of about \$7.46 BILLION, or \$480 million over the amount actually appropriated last year.

* Amendment offered by Committee member(s).

This amendment would limit ABM funding to that necessary to complete work at the Grand Forks and Malmstrom bases during the SALT negotiations. The amendment would cut about \$51 million in SAFEGUARD procurement funds from the bill.

In additional views, Rep. Leggett points out that since the mark-up on the bill, the President has announced that the U.S. and the Soviets have agreed to discuss limitations on both offensive and defensive nuclear weapons.

The amendment would add significant Congressional weight to the President's initiatives to reach nuclear arms limitation agreement.

*B-1 Manned Bomber (Pike)

This amendment would delete all of \$370.2 million requested for stepped-up R & D and prototype development for a new manned bomber.

The program is conservatively estimated to cost \$25 BILLION, including SRAM missiles, a new tanker, operations and maintenance. Critics charge that this figure is far too low and that the system could cost from \$50 BILLION to \$75 BILLION.

A new manned bomber has been a priority Air Force item for the past decade, even though manned bombers have become increasingly obsolete as an effective component of our deterrent. The B-1 possesses only marginal superiority over the existing B-52 and FB-111 fleet, and even these capabilities are subject to rapid erosion as air defense capabilities become more sophisticated.

*B-1 Manned Bomber (Leggett)

This amendment, which may be offered to the above amendment, would reduce funding for the B-1 by \$170.2 million to \$200.0 million. The amendment, when offered in Committee, was defeated by a vote of 23-13.

*Vietnamese and Free World Forces (Harrington)

This amendment would delete Title IV of the bill, which provides an authorization of \$2.5 BILLION for Vietnamese forces and free world forces in support of Vietnamese forces, and local forces in Laos and Thailand.

* Amendment offered by Committee member(s).

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The amendment would require that the Administration submit requests prior to 1966. The Johnson Administration shifted the funds from MAP to DOD to increase their attractiveness to Congress and to transfer congressional jurisdiction from the Foreign Relations and Foreign Affairs Committees to the Armed Services Committees.

As the war winds down (or becomes Orientalized) such military assistance requests should be removed from the massive DOD budget and returned to the AID budget where they can be evaluated in relation to our other military assistance commitments.

*Troops in Europe (Leggett)

This amendment would reduce U.S. troops in Europe by a modest 10%, down to 270,000, provided that the President could except from the limitation upon reporting to the Congress fully on the reasons for such exception.

In additional views, Rep. Leggett argues that a small unilateral reduction, not affecting our posture in Europe, could well move the Warsaw Pact NATO stalemate off dead center. A 10% force reduction, with an equivalent reduction in dependents, would also have a salutary effect on our balance of payments. The reduction could well lead to increased efficiency by reducing the excessive logistical "tail" encumbering our forces in Europe.

*C-5A (Pike)

This amendment would delete all C-5A procurement funds in the bill, a total of \$357.2 million. The funds provided in the bill are to meet past overruns by Lockheed.

Deletion of the funds would reduce the C-5A buy from 81 to 74 aircraft. The aircraft cannot perform its cargo unloading and unimproved landing field missions, and could easily be replaced by the Boeing 747 should our posture require additional large transport aircraft. The 747 costs about \$22 million a copy compared to the current C-5A cost of \$56 million a copy.

25X1

MIRV Escrow Account (Fraser)

This amendment would place all MIRV funds in the bill (Minuteman III and Poseidon) in a Treasury Department escrow account unless and until the President informs the Congress that the SALT talks have not or will not lead to an agreement, and that the Soviet Union is testing and deploying weapons which require expenditure of the funds in the escrow account.

F-14 Fighter (Bingham)

This amendment would delete \$806.1 million in the bill for procurement of 48 F-14A Navy fleet defense fighters. Large cost overruns have recently been reported on the aircraft and it is now estimated to cost between \$13 million and \$14 million a copy, with a total systems cost of over \$20 BILLION. Critics maintain that funds spent on the F-14A are wasted and procurement should be delayed pending development of new engines proposed for the F-14B.

Chairman Hebert has requested a complete report on the aircraft prior to floor consideration of the bill, and has indicated that he may offer a Committee amendment to delete the funds.

OFFICE OF THE SECRETARY OF DEFENSE

15 June 1971

Memo For MESSRS. MAURY and []

STATINTL

General Jim Lawrence passed the appended to me with comment that the paper by this group last year provided a scenario which was faithfully followed....in terms of amendments offered.

The amendment on page 15 gives Lawrence pause for thought. He invites any advice you may wish to provide him for a DOD reaction for the Committee staff to consider.

You can call Jim directly (11-75381) or use my channel if you wish. He feels that amendments will be in order about 2 PM tomorrow, so any suggested comment from you should be in his hands by mid-morning of 16 June 1971 (say about 10 AM)

Frank
Frank Hand

House 02
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